

**ALAMEDA GOLF COMMISSION
MINUTES OF REGULAR MEETING**

Wednesday, December 15, 2010

1 CALL TO ORDER

Chair Jane Sullwold called the regular meeting to order at 6:40 p.m. at the Chuck Corica Golf Complex, Ladies Lounge, 1 Clubhouse Memorial Road, Alameda, CA 94502

1-A ROLL CALL

Present: Chair Jane Sullwold, Commissioner Ray Gaul, Commissioner Bill Schmitz, Commissioner Betsy Gammell, and Commissioner Jeff Wood

Absent: None

Staff: None

Also Present: None

1-B APPROVAL OF MINUTES

The Minutes of 11-17-10 were approved unanimously

1-C ADOPTION OF AGENDA

The Commission unanimously adopted the agenda.

2 ORAL COMMUNICATIONS

None

3 COMMISSION COMMUNICATIONS

Chair Sullwold stated: "I suppose that we can report simply for the record that two of us attended, Bill and I attended the City Council meeting last week, as did Norma and Connie. And, at the meeting, although the discussion got a little adrift by virtue of the fact that the Mayor apparently couldn't understand what the offer was from Wadsworth despite us having said it about 18 times, because it hadn't been confirmed from her staff, it got off board a little bit, but then eventually the thing proceeded. And I'm not completely sure of how the final motion will read in the minutes, but it was simply to adopt Doug's referral but add to it language that the negotiations with the Alameda Junior Golf Association for the Mif Albright Course will be done in conjunction with, and in consideration with the negotiations with Kemper for the rest of the Golf Complex." Commissioner Gaul stated: "They kind of wanted

Kemper to be pretty well settled on whether or not they wanted the Mif or didn't want the Mif." Commissioner Gammell stated: "No, Ann Marie just informed the Junior Golf Board that the motion was that the Junior Golf Board was in negotiations, if there's going to have to be a, not negotiations, but either it's going to be the Junior Golf Board or there's going to be a separate non-profit group." Chair Sullwold stated: "I hate to interrupt you, what I'm talking about now is what was the motion that City Council made on December 7. I want to get a report from you about that meeting, but right now we're just simply, without the minutes from Council, we're not sure how it's going to be phrased, but it was to negotiate with the Alameda Junior Golf Association principals, as opposed to the subcommittee that was designated by the Board, and to do it in conjunction with the negotiations with Kemper for the rest of the complex, which essentially, in my opinion, throws everything up in the air. And then, I understand, and then we'll turn to this when we're talking about our agenda item, that the Interim City Manager did meet with Board of the Alameda Junior Golf Association this afternoon, and perhaps Betsy, you and Norma can talk about that. Anything else about the December 7th Council meeting?"

Norma Arnerich stated: "I did bring up today that they never did mention that we wanted a commitment from them, and they never put that into their motion for the 15 years to keep it open, and that was never put in their motion. It was just \$100,000 and negotiate with Junior Golf."

Commissioner Schmitz stated: "I did see Doug deHaan on Saturday, and simply thanked him for his efforts."

Chair Sullwold stated: "Well, Lena Tam has been a pretty good supporter of us too. When I spoke with her after the Council meeting, she thought they had done a really great thing, and I said to her that little addition about negotiating in context with Kemper has thrown the whole thing up, because if Junior Golf non-profit does not get control of the Mif, then the Wadsworth grant disappears and she said "what?," like she didn't understand that."

Commissioner Gaul stated: "They've got to decide whether there's going to be 27 and 9, they can't have two nine hole courses out here." Chair Sullwold stated: "No, I think there's no question that's not going to be a consideration."

4 ORAL REPORTS

4-A Golf Complex Maintenance activities report by Matt Wisely

None

4-B Golf Shop and Driving Range activities report by John Vest

Commissioner Gammell stated: "The specials that they've had in December are the golf special of foursomes with carts \$25 per player, threesomes \$30 and twosome with carts \$35 per player, and that is valid after 10 AM Monday through Thursday in

December. On Thanksgiving Day, they had 160 players with the shotgun they was \$8,200 in revenue. The Tuesday Specials they run have so far 92 rounds for \$2300 in revenue and the Wednesday Specials are 72 rounds for \$2160 in revenue. Winter practice pass only \$150 for unlimited range balls from December through February, and cardholders receive our twilight rate one hour earlier at noon for the winter practice pass. This weekend, they're having a holiday pro shop sale and it's up to 60% off select items to find the perfect gift for your golfer. What he told us today is that they will bundle a gift, like if you wanted to have a driver, a lesson, they might throw in a free game of golf. The 2011 Annual Pass is available, they can lock in low rates for the year, paying as low as \$120 per month. Passholders receive a special \$10 per person cart rate all year."

4-C Beautification Program and Junior Golf Club by Mrs. Norma Arnerich

None

4-D Golf Complex Restaurant Report, Jim's on the Course

Chair Sullwold stated: "No one is here from the restaurant. I know that they were going to have on the agenda for last week's meeting, some authorization of money for improvements to the fixtures at Jim's On The Course, but it got taken off calendar. I think that it was going to come out of the Golf Enterprise Fund".

Commissioner Gaul stated: "Tom told me that it was \$30,000 they were going to use to spruce up the restaurant." Chair Sullwold stated: "From my conversation with him, I think he understood that they were going to pull it out of there."

Commissioner Gammell asked: "We have no control over that?" Chair Sullwold stated: "No". Commissioner Schmitz stated: "\$30,000 is key work." Chair Sullwold stated: "I knew we didn't, all we can do is recommend, but he believes that we ought to have been consulted first at least to to give it a recommendation."

Commissioner Gammell stated: "I might not have recommended it, but I would at least liked to have been consulted."

5 AGENDA ITEMS

5-A Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission recommendations

Norma Arnerich stated: "When I opened the meeting today, before I let the City Manager talk, actually our whole board was here except for Bob Wood and Pam Curtis, so we had full board. I let them know that from our April meeting, I had the minutes there, when we approved forming a new non-profit, a spinoff, and I explained that we wanted to protect our funds that were in the Alameda Junior Golf bank account, that we didn't want to risk that taking over the Mif Albright Course. I read that from our minutes that we had voted to have a spinoff, and the City Manager was a little surprised at that, but then at the end she saw no problem with having that, she said it changed a little bit because they were negotiating with Alameda Junior Golf and now they were going to have this spinoff." Chair Sullwold

stated: "Norma, I thought that Richard Lee, at that meeting, I was present at the meeting, recommended that the spinoff be the Alameda Junior Golf Tournament and Scholarships?" Norma Arnerich stated: "We did, but we changed that today, because in talking to my board, just talking to them individually, they didn't want to have to open up a new bank account, take our funds out of the bank account we have, it would just be more trouble, so we voted today to keep Alameda Junior Golf Club as it is and the spinoff will be "Friends of the Mif." Chair Sullwold asked: "If it proves to be a problem negotiating with the City, would the Alameda Junior Golf Board reconsider?" Norma Arnerich stated: "I don't think it's going to be a problem, the City Manager didn't feel it was going to be a problem, she just said that changes some, but she didn't feel it was going to be a problem." Commissioner Gaul asked: "Was she referring to the meeting today or the meeting you had with her?" Commissioner Gammell answered: "Today's meeting." Commissioner Gaul stated: "I didn't know she was at today's meeting". Chair Sullwold stated: "She was the one who asked for this meeting. That's what this is all about." Norma Arnerich stated: "She said whatever we called ourselves, they would follow through with that."

Bob Sullwold stated: "I agree, it will be a problem, that you will hear this from the City Manager or Mr. Lillard or the Mayor, now the terms of the deal have completely changed, that we thought that we were negotiating with Alameda Junior Golf, now we find out that it's a completely different entity, we're back at square one, there's no deal on the table. I predict that you will hear that." Commissioner Schmitz asked: "Was there anyone else there from the City other than the City Manager?" Mrs. Arnerich answered: "Dale Lillard was there and the City Manager and John Vest sat in on the meeting, but he didn't say anything." Chair Sullwold stated: "I hate to be pessimistic about it, but given all the road blocks that we've had in our way, I tend to think we've got to be wary of what Bob is predicting. It may be seized upon by Beverly Johnson, as 'now you're changing the whole nature of what you've been representing to us all year,' and we've got to be ready to at least think about whether there's some way to salvage this." Commissioner Schmitz asked: "This still under the umbrella of Junior Golf, right?" Mrs. Arnerich stated: "It's just a spinoff". Connie Wendling stated: "Dick Lee, our attorney, suggested that." Chair Sullwold stated: "No, he suggested just the opposite, though, he suggested that you spinoff the assets of Alameda Junior Golf to the new non-profit, so that they're protected under a revised name and that you continue with Alameda Junior Golf Association, because that's the entity we've represented would be the sponsoring organization for the Mif. That was his original suggestion."

Mrs. Arnerich stated: "Well, it didn't sound like to me there was any roadblocks, because we are going to meet again with the City Manager and she has requested what she wants from us, from our minutes, anything we had record of forming of taking over the Mif course. We are following through. We are going to meet with her again after the holidays." Chair Sullwold stated: "No, I'm not saying that, I'm just saying, don't take her word only, she's not the one who gets to make the decision on this one, and we've got Beverly Johnson actively campaigning against this." Mrs. Arnerich stated: "She's only one person." Chair Sullwold stated: "She is, but, you just don't know who she can turn by using things in the right way, so that's why I

want to throw that out there to just be cautious about that. She can sometimes, in her way, be persuasive to others.” Mrs. Arnerich stated: “But, she won’t be handling the gavel. So, I’m supposed to go ahead and call Dick Lee and get the ball rolling. He had already put our intent in and so we going to start that process because that might take a little while. According to Dick Lee, if we did cancel it, it would cost a few hundred dollars to cancel if Kemper decided to take over the Par 3, we could always put a stop to the non-profit.” Chair Sullwold asked: “You have in your money that Perforce Software grant money that can pay for Dick’s expenses?” Mrs. Arnerich stated: “yes, we have the money set aside, the \$20,000. Also, at the meeting, I did appoint Joe and yourself, and I volunteered to be on the board. I asked our board who wanted to be on the new board, and it was myself, Connie, Betsy, Tony Corica, of course, and Shirl Ames are the ones that wanted to be on the new board.”

Commissioner Gammell stated: “She plans to have the end of January, the 25th of January will be a special meeting on this, all golf, she plans to have the Kemper situation more or less, and the Mif. And she said it’s probably going to take six months from there.”

Chair Sullwold stated: “I expressed my concern to Marie Gilmore after the meeting last week, that we so frequently get the staff reports on a Thursday before a Tuesday meeting, when it’s difficult, if not impossible for the citizens to absorb it, much less the Council members to absorb it. She indicated to me that the Sunshine Task Force was supposedly working on a resolution to have staff reports ready sooner. She recommended I go to their next meeting. Joe wrote to John Knox White and asked to him about this. John Knox White responded today. According to John Knox White, their concern is not so much as getting staff reports out earlier, but more notice of special meetings, 72 hours, rather than 24 hours.

Commissioner Gammell stated: “Dale said the minutes are being written today as he spoke and they should be on the email this afternoon or tomorrow.” Chair Sullwold stated: “What I’m talking about is the problem with them posting their agenda and the related items 72 hours before the meeting which gives the people too little time to deal with it. Marie thought that the task force is working on that. I’m not sure that’s what they’re working on. I think what they’re working on is, according to John Knox White 72 hours for special meetings as well as regular meetings.”

Bob Sullwold stated: “Well, the task force is over. The task force has proposed an ordinance, directed by City Council, to address a number of issues including campaign financing, meetings and the like. Their proposed ordinance is available for anyone to read. It addresses the issue of notice for meetings. There is nothing more that anyone in this room can do about it. It’s already proposed and they’ve already met and proposed their ordinance, and if the City ever takes it up, that’s another question.”

Chair Sullwold stated: “If the meeting is on January 25, then we will get it on January 20, it will be posted on the 20th, and that is when we will first find out what.

Let me ask you this. I had a conversation with Tony Corica after your meeting today, and he told me that Ann Marie said today, that, as a result of the Council meeting last week and the direction given by Council, she was now going to have to go back to Kemper to seek a new profoma, because she had not yet asked for one that involved non-profit operation of the Mif and 36 holes operated by Kemper.” Commissioner Gammell stated: “That’s what she said.” Chair Sullwold stated: “Are you serious? How is it from the March 16th resolution which said the starting point of negotiations shall be a non-profit operation by the Alameda Junior Golf Association of the Mif and 36 holes of the rest of the complex. How could she not get that information?” Mrs. Arnerich stated: “Because that was not in the motion. I brought that up today.” Chair Sullwold stated: “That wasn’t in the motion?” Mrs. Arnerich stated: “That’s what she said today. She had gone over and over it and it wasn’t in the motion.” Chair Sullwold stated: “It’s in the minutes and it’s in a tape.”

Mrs. Arnerich stated: “I did bring up the 36 holes, because that’s our whole purpose of keeping the Par 3 so we can keep our 18 hole courses, and so I did bring it up to her and she had gone over and over the wording, and it wasn’t in there.” Chair Sullwold stated: “It is false and it’s shocking and I’m going to write her an email. I’m going to download the official minutes from the website and send them to her with the language highlighted because that’s what it says.” Bob Sullwold stated: “You have communicated that to the Council time and time again. Quoted the exact language of the minutes, not my interpretation of it, or her interpretation of it. This is what it says.” Chair Sullwold stated: “And not the language from the actual Council debate, which I also happen to have, but the way that Lara transcribed into the minutes that were unanimously approved at the following Council meeting. It’s just shocking to me that she would say that. Well, I hope you don’t mind that I’m going to say that this was conveyed to me and I’m going to say that I’m totally shocked at this.”

Bob Sullwold stated: “These people get up there, with a letter right on the table that said \$250,000 cash. They denied it said that. These people go to the Junior Golf meeting and say, with a resolution right there in black and white, that says starting point for Mif Junior Golf and 36 holes, deny they say that. Have they at long last no sense of decency left?”

Commissioner Wood asked: “Who’s going to run the Mif, say that happens, who’s going to run the operation? Is there a pro shop? Who’s going to do that?” Chair Sullwold answered: “The notion would be that the best case scenario would be contracting with Kemper to provide the turf management and to share the expenses of the person in the pro shop collecting the money so that they would pay that person part of their salary for the driving range, and we would pay out of the Junior Golf revenues part of their salary for taking in the Junior Golf money. The notion would be that there would be an Executive Director and a Board to which all of this would be responsible. I have agreed in the absence of anyone else to serve as Executive Director of the new organization in overseeing. You can’t just not have some supervision of it. But in terms of the actual day to day hands on work, the plan calls for essentially contracting that out to Kemper or to someone else, because we

have other bids as well. Kemper's bid, quite honestly, is not very financially attractive. They really padded it, in my opinion, and in the opinion of Leon McNair of Wadsworth. He thinks it's outrageously high. To the extent that there's a contract entered into that may be revisited, and if they stick to their guns and refuse to provide their services for anything less than what they've offered, we have other irons in the fire. Other companies are interested. Is that what you needed to know?"

Bob Sullwold stated: "Let me add to that. I think this Executive Director thing -- Jane stood up to do that because there was some concern expressed, the question you raised legitimately, who's going to be the point person in charge and so she stood up to do that. But I think that if she got somebody, look at retired people who have business experience, who would be equally well qualified to take on such a role."

Chair Sullwold stated: "I was volunteering not because I want the job, but because I just think they need to hear we have people ready, willing and able to step up and do it, and I am ready, willing and able. I don't really want to. I would prefer vastly that someone else be the one, but I will do it in the absence of anybody else, and I thought, and Doug deHaan suggested that they needed to hear, that there was somebody willing to do it. We weren't simply turning to the people on the Board of Directors of Alameda Junior Golf Association in saying, now you've got to run this business." Commissioner Gaul stated: "At least until they can find a qualified person to take its place." Chair Sullwold stated: "So, anyway, I hope I wasn't overstepping in doing that, but I was doing it at Doug's advice of letting City Council know we have considered this, we're not just suggesting Norma, Connie, Betsy and John ought to be the ones."

5-B Update on Golf Complex Finances

Chair Sullwold stated: "Bob did not have the benefit of this report in advance so was unable to look at the City's numbers, but he did look at the statistical numbers that were provided to us."

Bob Sullwold stated: "In terms of the November rounds and revenue, they're down and as to profitability, the Kemper numbers, the more reliable numbers, in my opinion, show that for the first four months of our fiscal, the net profit for operation from Kemper was \$457,185. It would be nice if Kemper numbers could be reconciled with the numbers provided by the City finance department, and on such things as revenue, just the total amount of greens fees, the Kemper numbers and City numbers don't match, but Kemper says they made \$457,000. What we were handed tonight -- I always look at the number with the asterisk -- cash balance at the end of November was \$727,000.

6. ORAL COMMUNICATIONS, NON-AGENDA (Public Comment)

Bob Sullwold stated: "It has come to attention that there are some who apparently believe that Joe and Tony and Jane are in this Mif thing for their own gain, that they

want to be the saviors of the Mif, that they want to run the Mif, and that it's all about them, their plan to try to shove down your throats, the junior golf throats, the City's throats. I frankly resent that implication. Joe and Tony, as you all know, have full time jobs. Joe has devoted an enormous time to this; Tony has devoted a lot of time to this. They don't need this additional burden. They're not in it for themselves. And Jane, though she doesn't have a full time job, she is a full time golfer and has various roles with the Women's golf club here, with the PWGA and various things, she doesn't need this additional burden either and to the extent that there's someone out there that thinks this three people are doing what they have done or are willing to do for some personal interest, I will say, and Patti you can quote me, "They can kiss my ass".

Commissioner Gaul stated: "In the event that they have an Executive Director beyond Jane, and assuming she's taking \$1.00 a year, is there some salary you're going to have to arrive at for a professional to come in here and do this? Has there been any consideration or brought up about this?" Chair Sullwold: "Well, that's why the consideration initially you get somebody like me who's willing to do it for a \$1.00 a year. And maybe you continue to get volunteers to do that.

Mrs. Arnerich: "Now that we're going to start the non-profit, the spin-off of another non-profit, and having a Board now proceed from there." Chair Sullwold: "The thing is, I think, the finances in the business plan are tight enough absent a big growth in the play on the renovated Mif course, we're not going to have money to pay somebody a big salary, even a small salary. And so, at least in the first startup years, we would envision, I think, volunteer services from the community, and that's Joe, although, he's not able to be on a day to day basis, he's willing to devote a fair amount of time to it, as is Tony and others. But, I do need to throw out that it's been my experience in my involvement with golf in the East Bay since 1993, that whenever you renovate a course or improve the conditions at that course, you automatically generate an increase in play, because people get curious. My opinion is, if we do the \$400,000-\$500,000 renovation that Wadsworth's architect, Bob Loehmann, has drawn up for us, that we're going to get more people coming out there and playing, because it will be more interesting and it will be in better condition. It will have better tees and better greens, which are the primary thing. It will be set up in a more logical way to allow not just kids learning the game and seniors to play, but also people who want to practice their short game. It will be a better place for that, and I think it will get increased play. Now, maybe I'm just naïve, but, that's what I've seen in this Northern California market since I started playing out here regularly. Callippe comes up and all of a sudden there's a surge of interest in Callippe. Metropolitan opens because it's renovated and all of a sudden they've gotten a lot of play. They put a fairly minimal amount of money into Lake Chabot, and Lake Chabot is just doing landmark business. They've increased play and revenue, I believe, every year for the last three years. So, I believe that the Mif will do that, and if it does, then we can talk about having money to hire somebody to do something. On the other hand, we're bouncing up against an economy that has not improved. The employment rate is just awful, and I suspect people have given up golf because they can't afford it anymore."

Bob Sullwold: "Joe and I, we've talked about this a lot. I don't see, even in the startup days, the need for the Executive Director to be someone that sits in the office eight hours a day. I suspect that person would spend 7-1/2 hours reading magazines. But I think, notwithstanding that, you would need to have a point person, if something goes wrong, this is the person you call. You don't need someone to sit in the office and read magazines." Chair Sullwold: "I'm just trying to envision, that you've got to have somebody overseeing the slippage, in terms of money. You've got to have somebody making sure the cash register receipts are the right amounts. Somebody has got to look into that. So it may be that as an Executive Director, you've got an hour or so a day to oversee things at the end of the day. I'm willing to do that and I suspect some others are willing to do that as well. I think it can be done."

7. OLD BUSINESS

None

8. WRITTEN COMMUNICATIONS

Included in the Commission packet was a memorandum to the Finance Department showing a surcharge payment for November 2010 of \$6,644. The year-to-date total to the General Fund is \$48,858.00 for FY 2010/2011.

9. ITEMS FOR NEXT MEETING'S AGENDA

- Status Report on Long Term Lease and Mif Albright Negotiations including Golf Commission
- Update on Golf Complex Finances

10. ANNOUNCEMENTS/ADJOURNMENT

The meeting was adjourned at 7:17 p.m.

The agenda for the meeting was posted 72 hours in advance in accordance with the Brown Act.